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Chief, Intelligence Information Staff, ORR

13 November 1957

ATTN : [REDACTED]
THRU : Chief, Industrial Division, ORR
Chief, Military Economics Branch, D/I

Requirement for Military-Economic Information

Background

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1. In accord with our conversation with [REDACTED] on 7 November 1957, after briefing [REDACTED] we are submitting the following requirement. Although this requirement is of a general nature and is intended for application to any source who might be knowledgeable on the subject matter, the impetuses for originating it are the reports of [REDACTED]. Therefore, the serving of this requirement on these two sources would be appreciated.

2. Both of these sources have touched on areas of interest to this office. The following questions are designed to elicit further information of a military-economic nature. It would be desirable if the sources would supplement their specific knowledge with their best opinions and judgements.

3. Primary interest centers on having these questions answered with regard to the USSR. This requirement should be served, however, where similar information may be obtained for Communist China and the European Satellites.

Requirements

I. Pay

A. Military Pay and Allowances.

In this area emphasize the remuneration of naval personnel (all ranks) and officers of general rank and higher regardless of branch of service.

1. What are the rates of pay for military personnel? Include both enlisted men and officers and differentiate where necessary among services and within services where differences exist. Indicate the elements that contribute to the total remuneration of a given position -- i.e., specify the amount of rank pay, position pay, location pay, etc. that pertains to each position.

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2. What changes in the rates of remuneration have taken place since 1950? Detail the effects of such changes.

B. Academic and Scientific Scales of Pay.

1. In the same detailed fashion as above specify the wages and allowances for: scientific personnel of research institutes and of design bureaus; civilian academic personnel of institutions of higher learning; and for military personnel assigned to any of the aforementioned institutions.

II. Finance

A. Military Procurement.

1. What financial arrangements accompany the transfer of military end items to the military establishment?

2. How are these arrangements handled? What organizations (e.g., ministries) are involved?

3. Where do the funds for military hardware originate? Trace them from their initiation under a budgetary account to final transfer to the producing organizations. That is, under what category in the announced (explicit) budget are the funds allocated and who handles them thereafter?

B. Research and Development.

1. As with military procurement specify the budgetary origin of funds for research and development.

2. Does the budgetary account vary with the purpose of the funds? For example, if the funds are for research as opposed to development.

3. Does the budgetary account vary with the recipient of the funds? For example, research institutes as opposed to academic institutions, design bureaus, etc.

4. Does the budgetary account vary with the initiator of the programs? For example, the Ministry of Defense as opposed to industrial ministries, the Academy of Sciences, etc.?

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C. Prices and Costs.

1. Military end items. Give any information known for military hardware. For example, military aircraft, naval vessels, weapons, etc. Include price information for components of the equipment as well as the price of the complete item.

a. Do these prices paid by the military establishment cover the full cost of production, including realistic amortization?

b. In those instances where the items purchased by the military establishment are also available to other consumers -- e.g., POL, food, trucks, machinery, materials -- are the prices paid by the military different from those paid by other consumers? If so, what is the extent of the differences and what accounts for them?

c. Do the prices paid by the military for end items differ from the prices charged other countries (both Bloc and non Bloc) for the same equipment? If so, what accounts for the differences and what is the extent of the differences?

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25X1A9a 1 - I/ME
I/ME/RR: [REDACTED] edh/3803(13 Nov 57)